

CMS ACTIVITY ON WAIVER CODES

2003 NATIONAL MEDICAID HIPAA & MMIS
SUMMIT

“WAIVER CODES: WHERE ARE THEY AND
WHAT CAN I DO?”

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CMS MAINTAINS HCPCS LEVEL II CODE SET

- HCPCS II=STANDARD CODE SET FOR NON-PHYSICIAN MEDICAL PROCEDURES
- CMS HCPCS WORKGROUP:
 - ◆ REVIEWS REQUESTS
 - ◆ APPROVES, OR MAKES RECOMMENDATIONS TO NATIONAL PANEL FOR FINAL DECISIONS

CMS ORGANIZATION AND HCPCS

■ HCPCS WORKGROUP

- ◆ MAJOR COMPONENTS REPRESENTED
- ◆ MEDICAID CODING STAFF AND STATE MEDICAID REP PARTICIPATE
- ◆ MEETS MONTHLY, AS NECESSARY
- ◆ TRADITIONALLY HAS DEVOTED MUCH OF AGENDA TO REVIEW OF PRODUCTS BASED ON NEW TECHNOLOGY

PROCESS FOR CONSIDERING HCPCS CODE REQUESTS - STANDARD

- APPLIES TO REQUESTS WITH MEDICARE IMPLICATIONS, E.G., DMEPOS, DRUGS
- PROCESS DESCRIBED AT
[HTTP://CMS.HHS.GOV/MEDICARE/HCPCS/DEFAULT.ASP](http://cms.hhs.gov/Medicare/HCPCS/default.asp)
- 22 QUESTIONS, INCLUDE SALES FIGURES, FDA APPROVAL
- COORDINATED BY CMS MEDICARE STAFF
- FINAL NATIONAL PANEL DECISIONS REFLECTED IN NEXT ANNUAL UPDATE, RELEASED IN OCT., EFFECTIVE NEXT JAN. 1

PROCESS FOR CONSIDERING HCPCS CODE REQUESTS - MEDICAID

- APPLIES TO REQUESTS INITIATED BY STATES WITH NO MEDICARE IMPLICATIONS; NOT FOR DMEPOS, DRUGS
- PROCESS DESCRIBED AT [HTTP://CMS.HHS.GOV/STATES/HCPCS.ASP](http://cms.hhs.gov/states/hcpcs.asp)
- 6 QUESTIONS WITH FOCUS ON BUSINESS NEED
- CMSO MEDICAID STAFF COORDINATES PRELIMINARY REVIEW
- WORKGROUP DECISIONS POSTED TO WEB ([HTTP://CMS.HHS.GOV/MEDICARE/HCPCS/DEFAULT.ASP](http://cms.hhs.gov/medicare/hcpcs/default.asp)), NOT EFFECTIVE FOR 90 DAYS

IMPACT OF HIPAA

- PRE-HIPAA, STATES DEVELOPED LOCAL CODES FOR NEW SERVICES OR PROGRAMS
- HELPED RELATE SERVICE TO RECIPIENT, PROVIDER, LOCATION, UNIT OF SERVICE
- USED IN RESPONSE TO LEGAL REQUIREMENTS
- ESPECIALLY HELPFUL WITH WAIVERS

THE NMEH PROCESS

- NMEH SURVEYED STATES TO IDENTIFY NATIONAL CODING NEEDS
- LOCAL CODES GROUPED INTO 37 CATEGORIES
- CMS MEDICAID STAFF & NMEH LEAD COLLABORATE TO REFINE REQUESTS & GAIN CODE APPROVAL
- WORK COMPLETE ON MOST CATEGORIES

WAIVER CODES & THE NMEH PROCESS

- WAIVER CODES=CATEGORY 36
- LINDA YAEGER (OH) COORDINATED DEVELOPMENT OF HCPCS REQUESTS
- 90 CODES REQUESTED
- TWO SUBMISSIONS:
 - ◆ PRIVATE INSURANCE + MEDICAID
 - ◆ MEDICAID-ONLY

APPROVED WAIVER CODES

- 31 CODES APPROVED AS “S” CODES, EFFECTIVE 1/1/03
- EXAMPLES:
 - ◆ ADULT DAY CARE
 - ◆ HOME CARE TRAINING
 - ◆ CHORE SERVICES
 - ◆ ATTENDANT CARE
 - ◆ HOMEMAKER SERVICES
 - ◆ COMPANION CARE

APPROVED WAIVER CODES (CONTINUED)

■ MORE EXAMPLES:

- ◆ EMERGENCY RESPONSE SYSTEM
- ◆ HOME MODIFICATIONS
- ◆ HOME DELIVERED MEALS
- ◆ LAUNDRY SERVICE

MEDICAID-ONLY WAIVER CODES

- MORE THAN 50 ADDITIONAL CODES REQUESTED
- CATEGORIES OF REQUESTED CODES:
 - ◆ HABILITATION SERVICES
 - ◆ CASE MANAGEMENT
 - ◆ TRANSPORTATION
 - ◆ SPECIALIZED CHILD CARE
 - ◆ ASSISTED LIVING

STATUS OF MEDICAID-ONLY WAIVER CODE REQUESTS

- PRELIMINARY REVIEW COMPLETE
- REVIEW TEAM RECOMMENDATIONS
TO BE FORWARDED TO WORKGROUP
- ANTICIPATE WORKGROUP
DISCUSSION AND ACTION SOON

WAIVER-RELATED ISSUES

- DOES HIPAA APPLY TO WAIVER SERVICES?
 - ◆ YES, IF PROVIDER IS HEALTH CARE PROVIDER, SERVICE IS HEALTH CARE SERVICE, TRANSACTION IS COVERED BY HIPAA

WAIVER-RELATED ISSUES (CONTINUED)

- DOES HIPAA APPLY TO NON-HEALTH CARE WAIVER SERVICES?
 - ◆ NEED NOT BE HIPPA-COMPLIANT, BUT STATES MAY HAVE OPERATIONAL REASONS FOR WANTING ALL PROVIDERS TO USE A UNIFORM CODE SET.

WAIVER-RELATED ISSUES (CONTINUED)

- WILL CMS APPROVE HCPCS CODES FOR NON-HEALTH CARE WAIVER SERVICES?
 - ◆ WHILE CODES FOR THESE SERVICES NEED NOT BE HIPAA-COMPLIANT, CMS WILL CONSIDER ESTABLISHING HCPCS CODES FOR THEM IF NECESSARY TO MEET A STATE NEED. WE FIRST CONSULT WITH CMS WAIVER EXPERTS TO DETERMINE IF THE SERVICE IS COVERED UNDER SECTION 1915(c) OF SOCIAL SECURITY ACT.

WAIVER-RELATED ISSUES (CONTINUED)

- IS A TRANSACTION THAT CONTAINS BOTH HEALTH CARE SERVICES, CODED USING HCPCS, AND NON-HEALTH CARE SERVICES, CODED USING LOCAL CODES, CONSIDERED TO BE HIPAA-COMPLIANT?
 - ◆ YES, SUCH A TRANSACTION WOULD BE CONSIDERED HIPAA-COMPLIANT, ALTHOUGH ACCOMMODATING DIFFERENT CODING SYSTEMS COULD PRESENT OPERATIONAL PROBLEMS FOR THE PAYER.

WAIVER-RELATED ISSUES (CONTINUED)

- HOW DOES THE PROVIDER INDICATE A SERVICE WAS PROVIDED UNDER A WAIVER PROGRAM?
 - ◆ PROGRAM CONTEXT IS NOT IMBEDDED IN THE CODE DESCRIPTION. A SERIES OF 13 “U” MODIFIERS CAN BE USED TO INDICATE THAT A SERVICE WAS PROVIDED UNDER A PARTICULAR WAIVER PROGRAM.
 - ◆ OTHER FIELDS (E.G., PROVIDER ID, BENEFICIARY) MAY INDICATE WAIVER CONTEXT

WAIVER-RELATED ISSUES (CONTINUED)

- CAN “U” MODIFIERS TAKE ON DIFFERENT MEANINGS IN DIFFERENT CONTEXTS?
 - ◆ YES. A STATE MAY DECIDE TO GIVE EACH “U” MODIFIER A SINGLE DEFINITION. OR STATES MAY ASSIGN DIFFERENT MEANINGS TO THE SAME “U” MODIFIER IN DIFFERENT CIRCUMSTANCES, BASED ON SERVICE PROVIDED, LOGISTICS OF DELIVERY, INTENSITY, ETC..

WAIVER-RELATED ISSUES (CONTINUED)

- ISN'T THE “U” MODIFIER APPROACH INCONSISTENT WITH THE HIPAA GOAL OF STANDARDIZATION?
 - ◆ WHILE STATE-DEFINED MODIFIERS ARE NOT APPLIED IN STANDARD WAYS, THESE NMEH-REQUESTED MODIFIERS PROVIDE NEEDED FLEXIBILITY FOR STATES WITH MULTIPLE WAIVER PROGRAMS. A LIMITED NUMBER OF “U” MODIFIERS HELPS CONSERVE CODE SET.

WAIVER-RELATED ISSUES (CONTINUED)

- WHY MUST EACH HCPCS CODE DESCRIPTION INCLUDE A UNIT OF SERVICE?
 - ◆ THIS IS A STANDARD REQUIREMENT FOR CMS APPROVAL OF NEW CODES, WHICH FACILITATES COORDINATION OF BENEFITS. CMS HAS APPROVED MULTIPLE CODES FOR SAME SERVICE WITH DIFFERENT UNITS OF SERVICE. THE 837 ALLOWS FOR FRACTIONS OR MULTIPLES OF THOSE UNITS.